

# Special Session

<b>Agenda Item #</b>	4
<b>Meeting Date</b>	15 March 2004
<b>Prepared By</b>	Sara Anne Daines ECD Director
<b>Approved By</b>	Richard M. Finn City Manager

<b>Discussion Item</b>	2nd Reading of an Ordinance approving execution of contract with K&S Construction for Construction Management Services.
<b>Background</b>	<p>This is the second reading of an ordinance authorizing the execution of a contract with K &amp; S for professional construction management services in furtherance of the City's Capital Improvement Petition process.</p> <p>The scope of services included in the proposed contract provide for the inspection of all capital improvements processed by the City to ensure that the work included in the petition is completed in a professional manner, the analysis of costs incurred by the petitioner to determine if such costs are appropriate, and the preparation of reports required by the Rents Analyst.</p> <p>K&amp;S Construction was the low bid (\$75 per hour) received by HCD when bids were initially solicited. A second firm submitted a proposal for \$100 per hour. The third firm declined to submit a proposal.</p> <p>The first reading of the ordinance was held on March 8, 2004.</p>
<b>Policy</b>	Under the current Rent Stabilization Law, the Rent Increase Petition process is available to landlords to promote improvements to rental properties. It allows for the recovery of the costs over an amortized period of time. Expert, unbiased construction inspections have been instrumental in ascertaining the reasonableness of the costs and whether the project was completed satisfactorily.
<b>Fiscal Impact</b>	Estimated annual cost of the construction inspection program is \$12,500 (average of \$250 per capital improvement petition). Cost would vary depending upon the number of capital improvement petitions submitted and the size of said petitions. Past experience indicates that an average of 2.5 to 3 hours per petition - at a cost of \$75 per hour - is needed to conduct the required inspection, verify the cost of the improvements, and prepare the final report.
<b>Attachments</b>	Ordinance Authorizing Extending the Contract with K&S Construction Consulting, Inc.
<b>Recommendation</b>	To adopt attached ordinance authorizing the execution of a contract with K&S Construction for professional services.